

MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION
2

3 ONE HUNDRED AND TWELFTH LEGISLATURE
4

5 Legislative Document

No. 537

6
7 H.P. 388 House of Representatives, February 13, 1985

8 Reference to the Committee on Aging, Retirement and Veterans
9 suggested and ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Hickey of Augusta.

11 Cosponsored by Representative Lacroix of Oakland, Representative
Jalbert of Lisbon and Representative Harper of Lincoln.

12 STATE OF MAINE
13

14 IN THE YEAR OF OUR LORD
15 NINETEEN HUNDRED AND EIGHTY-FIVE
16

17 AN ACT to Shorten the Period which Members
18 of the Maine State Retirement System Must
19 Wait for the Refund of Accumulated
20 Contributions.
21

22 Be it enacted by the People of the State of Maine as
23 follows:

24 5 MRSA §1096, first ¶, as amended by PL 1975, c.
25 622, §39, is further amended to read:

26 If the service of any member has terminated, ex-
27 cept by death or by retirement under this chapter, he
28 shall be paid, upon proper application therefor, the
29 amount of his accumulated contributions, provided no
30 interest shall be included for any period beyond the
31 5th anniversary of the date of such termination of
32 service if the member has less than 10 years of cred-
33 itable service. Such payment shall not be made ear-
34 lier than 60 days after the date of termination of
35 service and an Payment shall be made after termina-
36 tion of service and in not less than 22 days and not

1 more than 37 days after receipt of the application
2 and of the last payroll upon which the name of the
3 member appears. An application for refund shall be
4 void if a member returns to service within such
5 60-day period prior to issuance of the payment.

6 STATEMENT OF FACT

7 This bill is intended to reflect actual opera-
8 tions of the Maine State Retirement System, meet the
9 system's needs to automate the refund process and to
10 slow the pace of teacher exits and reentry into the
11 system.

12 At the present, the Maine State Retirement System
13 makes refund payments in excess of 3,000 refunds per
14 year. The system makes refund payments only upon the
15 receipt of final payrolls from employers as these are
16 necessary to determine the accumulated contributions
17 to be refunded. The time period between the receipt
18 of payrolls and refunds can be shortened because of
19 the new computer program developed to assist the
20 staff. To make this program practicable, the system
21 is limited to requesting refund checks to biweekly
22 periods. In addition, time is required for check is-
23 suance. For these reasons, the 22-day and 37-day in-
24 tervals for repayment were selected as appropriate.

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